

Business

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Robert Levy (left), president of Norman Levy Associates, and Richard Nucian, who heads the firm's auction department, are mapping

the liquidation of Eastern Airlines' ground support equipment.

GUY WARREN/staff photographer

Awrey products to return

By Doug Funke
staff writer

Coca Cola apparently isn't the only company that can bow to public demand and bring back a discontinued product line.

Awrey Bakeries of Livonia, which stopped supplying baked goods to local stores last spring to concentrate on major institutional clients such as Marriott Foodservice Management and American Airlines, will resume selling its confectionaries in grocery outlets here Monday.

"We goofed," company spokeswoman Betty Jean Awrey said of the decision to discontinue its popular retail line including Long John Coffee Cakes, Almond Crunch Dunkers, Date Nut Bars and Danish Sweet Rolls.

"Our business objective was to install new state-of-the-art Danish and croissant-making equipment to provide higher quality, more con-

sistent production for the institutional food service business," Awrey said.

But institutional sales have remained flat, she said. The family-owned company forecasts sales this year of \$41 million — which includes no retail operations May to November — compared to \$53 million last year.

"We have been surprised and gratified by the call from our public for the return of the 81-year-old tradition of serving Awrey goodies to our loyal metropolitan area customers," Awrey said.

"Everybody was calling us when we stopped retail and asked, 'Where can we get this?' or 'When can we get that?' We started to rethink the whole thing. We're foolish to ignore this."

"We realize we made a very serious mistake. We have a change of philosophy in our organization now."

CHANGES in top management have accompanied that change in philosophy.

Last March, the company announced plans to freeze products as they came off the line for retail sale and replace company deliveries with one or more independent distributors to supply local markets. But Awrey scuttled those plans just two months later with an even bigger bombshell — the decision to quit retail sales altogether.

Awrey will again bake the retail goods at its Livonia plant. Veri-Best of Ferndale, which makes and distributes bread products with the Awrey label through a licensing agreement, will distribute the pastries.

Awrey already has reached agreement to display its products in 265 stores in the metro area including the Foodland and Kroger chains and independents.

Negotiations are continuing with A&P/Farmer Jack.

Industrial liquidator Levy wins Eastern Airlines job

By Doug Funke
staff writer

A Southfield firm that claims to be the nation's largest industrial auctioneer in terms of annual dollar volume sold has landed a plum job — liquidating the physical assets, excluding aircraft, of bankrupt Eastern Airlines.

Norman Levy Associates expects to raise \$20-\$40 million from the sale of passenger loading bridges, baggage tugs and carts, tools and machinery, diagnostic equipment and other support items, said Richard Nucian, who's coordinating the project for Levy.

Negotiations are under way with airlines around the world for highly-specialized equipment such as an 11-station gantry jet engine testing system, Nucian said. Public auctions for tools and equipment of a general nature will be conducted in Miami and Atlanta early next year.

"We've already had our advance people down at Eastern inventorying all items for private negotiation sale and auction sale," Nucian said. "We go in and organize it, clean it, price it out. We need correct specifications for write-up and advertising."

Levy will be paid a commission based on a percentage of the sales, not yet established officially by the bankruptcy court, plus expenses. Eastern officials with expertise in the industry are helping with the liquidation.

Twenty-two firms besides Levy were invited by Eastern to bid for liquidation rights.

LEVY'S WORLDWIDE reputation and its large size carried much weight in getting the nod, said Terence Hickman, assistant to Eastern's bankruptcy trustee.

"We ran them (candidates) through scores of hoops — past experiences, references, size of auctions done in the past, ability to bring out a substantial bidding group. Levy came out the best," Hickman said.

"It's exciting, a large sale, a big name," said Robert Levy, president of the firm and son of its late founder. "Our company was chosen because we're most capable of handling a sale of this nature."

The Eastern liquidation will be among the largest in the firm's history.

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Levy, founded in 1951, takes a team approach to business. Upwards of 60 work out of the Southfield office, with another dozen or so divided between offices in Boston and Coventry, England.

"There's no issue of ego here," said David Levy, executive vice president in charge of the appraisal department. "We're better able to service from a central location and not dilute ourselves by breaking it up."

"A lot of our business is auto shop related," he added. "We would expect that the car business will continue and we have to be where it is."

"THE TALENT here is second to none," said Lew Nucian, chairman of the firm. That's why we don't want to spread 'em out. Working together is how you get things done."

The firm, privately owned, doesn't release financial data. David Levy reported annual auction sales of \$110-\$115 million in recent years. The firm does about 120 per year. Commissions usually range from 5-10 percent of gross realization.

"In terms of revenues, appraisal and auction are very close," he added.

The firm does some 700 appraisals annually on assets with an aggregate value of some \$2 billion, David Levy said.

Appraisals become important when applying for loans, establishing stock ownership plans, mergers/acquisitions and bankruptcies.

Experience and attention to detail have fueled the firm's growth, company insiders said.

"We are in the marketplace every day," said David Levy. "If you have involvement in the marketplace buying and selling every day, you have a

solid foundation of rendering an opinion of theoretical value."

"WE HAVE computerized mailing lists we have built up over the last 40 years we won't let anyone else use," said Richard Nucian. Upwards of 40,000 notices will be mailed to prospective bidders for the Eastern liquidation.

Facsimile messages will be sent to airlines all over the world and ads will be placed in trade publications.

"Two auctioneers can do the same job, but one can get more due to the expertise in the way he sells it and the way it's marketed and advertised," Nucian said.

Orville Lefko, who does business valuations from an office in Troy, called the Eastern assignment a feather in Levy's cap.

"They have a solid reputation from way back. They're very highly respected," Lefko said. "I consider them to be a leader in the field. I don't remember anyone saying anything bad about that company."

David Levy used the word "fantastic" to describe business growth over the past decade.

"The need for this type of service has mushroomed," he said. "We were a well-regarded firm at the beginning of expansion. We were well positioned to take advantage of the need."

"In a down economy, we sell more assets for less dollars. In an up economy, we may get more for less assets. The economy doesn't have as much impact (on revenue) as people might suspect. A stagnating economy — not moving in any direction — might."

"Generally speaking, better times mean better sales," he said.

Unique partnership creates new hazmat training center

By Doug Funke
staff writer

Monetary seeds planted a year and a half ago by some 125 companies from around the state — including several from Observer & Eccentric communities — recently blossomed into a new hazardous materials training center in Lansing.

Private industry donated more than \$350,000 to build the center to teach emergency response teams, fire fighters and industry personnel how to deal with hazardous material incidents.

The Michigan State Police will manage the center.

The instructional facility will enable hands-on training using railroad tank cars, tank trucks and storage tanks in addition to theoretical classroom instruction.

"We believe this center is the first one in the U.S. to be built with donations from private industry and then operated by state government," said Andrew Such, executive director of the Michigan Chemical Council.

CSX Corp., the railroad giant with regional offices in Livonia, was among the major contributors.

"The public, generally, and corporations are much more aware and environmentally sensitive than they have been in the past," said Tom Drake, a vice president for CSX.

"ESSENTIALLY WHEN you have an incident, everyone must work in a cooperative and coordinated manner. We've tried to foster that," he said.

CSX accounted for the lion's share of the \$60,000 cash contributed by the Michigan Railroads Association, Drake said. CSX also donated several railroad cars for training exercises and made its hazardous materials expert available as an instructor.

Drake, who was president of the

state railroads association when the center was first proposed, admitted to having doubts about how his members would react to the unusual private enterprise/government partnership.

He was pleasantly surprised. They liked it.

"There was an opportunity to do something, to provide a benefit, but you didn't get involved in bureaucratic things," he said. "It was something tangible you could see."

Drake said he didn't have to do much more twisting at the corporate level to contribute money, equipment and staff to the center.

There was no special sense that CSX should get involved with the center because its trucks regularly carry a Dow chemical train, Drake said.

"OUR CONCERN is bigger than that," he said. "We operate in 19 states. The safety center is another incremental step as we try to become more and more safe."

Olin Corp., a Livonia company that packages pool treatment chemicals, contributed nearly \$5,000 to the center.

"We're an active member of the Michigan Chemical Council. It just seemed like a natural fit," said Michael Bauer, safety and loss prevention manager at Olin. "First responders were looking for additional training they just couldn't find."

"We try to stay in the forefront of what's going on in the industry," Bauer added. "There is a lot of top management support for working with community outreach programs. That is what this center is to us."

Mid-States Petroleum, a distributor/wholesaler in Troy, donated an above-ground storage tank to be used for training, fuel used in excavation at the site and cash for the center.

The donation totaled some \$4,200, said Jim Butler, president of the

Troy-based firm. Butler was president of the Michigan Petroleum Association in the mid-1980s when the idea for a private enterprise/government partnership was under discussion.

"THIS GIVES us a facility that has all different types of equipment there with classrooms in one facility," he said. "The association felt it was needed. We as a company felt it was needed — to have a state facility to train people."

"It started from an idea and just grew," Butler added.

The partnership involving associations in the chemical and transportation industries gradually evolved, said Lt. Arthur Nash, commander of the hazardous materials division for the state police.

"To get interest going, we had a model made. You don't want to start until you see someone else. Dow (Chemical) donated \$50,000. As more knew about it, more people called. It's just been fantastic."

"The center is already booked through the end of the year and two months for next year," Nash said. "We've had calls from Virginia. People are coming out from Kansas and Iowa to see how we did it."

Shell Chemical Co., with offices in Farmington Hills, and Union Carbide, with offices in Birmingham, also contributed to the center, Such reported.

The center, built on state-owned land opened last month. It will be maintained through user fees. Participants may choose classes provided by the state police or bring in their own instructors.

The state police has sponsored hazardous materials training programs around Michigan with a moveable trailer and railroad cars. But the lack of a permanent site made it difficult and costly to train large numbers.

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